

Message Text

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PAGE 01 BRASIL 01366 181541Z
ACTION ARA-10

INFO OCT-01 ISO-00 EB-08 COME-00 NSA-01 TRSE-00 STR-04
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R 181510Z FEB 77
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 0173
INFO AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO

C O N F I D E N T I A L BRASILIA 1366

E.O. 11652: GDS
TAGS: ETRD, BR
SUBJECT: GOB RESTRICTIONS ON IMPORTS OF GENERAL AVIATION
AIRCRAFT

REFS: (A) STATE 33921 (B) 76 BRASILIA 10476

1. SUMMARY: EMBASSY CAN NOW OBTAIN PARTIAL DATA ON
AIRCRAFT IMPORTS FROM CACEX. USDOC ASSISTANCE WOULD
ALSO BE HELPFUL IN EXPANDING DATA BASE. EMBASSY
HAS NOT DISCUSSED SUBJECT RESTRICTIONS WITH GOB
OFFICIALS FURTHER AND DOES NOT PLAN TO DO SO FOR
THE TIME BEING. END SUMMARY.

2. REGARDING THE DEVELOPMENT OF A DATA BASE ON AIR-
CRAFT IMPORTS, CONGEN RIO CAN NOW OBTAIN FROM CACEX
(FOREIGN TRADE DEPT./BANCO DO BRASIL) DATA ON IMPORT
LICENSES ISSUED DURING JAN.-NOV. 1976 PERIOD AND
ACTUAL IMPORT FIGURES FOR JAN.-JUNE 1976. THIS
INFORMATION IS BEING REPRODUCED AT CACEX AND WILL BE
FORWARDED UNDER AIRGRAM.

3. CONCERNING THE TYPES OF AIRCRAFT LIKELY TO
RECEIVE IMPORT PERMITS (REF B, PARAGRAPH 2-A),
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BRASIL 01366 181541Z

THE EMBASSY'S BELIEF IS THAT ONLY THOSE AIRCRAFT
OUTSIDE THE BROAD CATEGORIES MANUFACTURED BY
EMBRAER WILL RECEIVE PERMITS. THIS, IN ESSENCE,
MEANS THAT ONLY JETS (INCLUDING EXECUTIVE-TYPE,
THOUGH SOMETIMES WITH DIFFICULTY), HELICOPTERS, AND
CERTAIN SPECIALTY AIRCRAFT (MAINLY MILITARY) WILL
BE LICENSED FOR IMPORT.

4. REF A OFFER OF WASHINGTON ASSISTANCE IN THE DEVELOPMENT OF A DATA BASE IS APPRECIATED. GIVEN THE CONSTRAINTS ON OUR ABILITY TO ACQUIRE FULL INFORMATION ON IMPORT LICENSE REQUESTS, EMBASSY BELIEVES THE MOST USEFUL INPUT WOULD BE A PERIODIC USDOC SURVEY OF MAJOR SUPPLIERS OF BOTH COMPLETE AIRCRAFT AND COMPONENTS TO ASCERTAIN PENDING LICENSE APPLICATIONS. GIVEN THE LIKELY GOB RESENTMENT OF ANY EFFORT TO RUN A SURVEILLANCE SYSTEM FROM HERE, WE BELIEVE THIS IS THE ONLY REALISTIC WAY TO OBTAIN A LICENSE INVENTORY. HOWEVER, EVEN SUCH AN INVENTORY WILL ONLY IMPERFECTLY REFLECT THE REAL DEMAND FOR US AIRCRAFT/COMPONENTS SINCE MOST END-USERS AS WELL AS EXPORTERS HAVE PROBABLY ALREADY BEEN DISCOURAGED FROM APPLYING FOR IMPORT PERMITS BY THE WIDESPREAD KNOWLEDGE OF GOB RESTRICTIONS AND ATTITUDES ON THIS SUBJECT.

5. CONCERNING CESSNA'S PREVIOUS THREATS TO SEEK TO BLOCK US IMPORTS OF BRAZILIAN "BANDEIRANTES" IF GOB BARRIERS WERE NOT REDUCED, IT SHOULD BE NOTED THAT THE PENDING PURCHASE OF 25-30 "BANDEIRANTES" BY US NON-SCHEDULED CARRIER "FEDERAL EXPRESS" HAS FALLEN THROUGH. EMBRAER PRES. OZIREZ CONFIRMED THIS REPORT IN LATE JANUARY. "FEDERAL EXPRESS" HAS APPARENTLY DECIDED TO PURCHASE CANADIAN-BUILT "LEARSTARS" INSTEAD. WHILE THIS IS UNDOUBTEDLY A GREAT DISAPPOINTMENT FOR

CONFIDENTIAL

PAGE 03 BRASIL 01366 181541Z

EMBRAER, IT SHOULD NOT HAVE THE STRONGLY NEGATIVE EFFECT THAT A SHOWDOWN WITH CESSNA WOULD HAVE HAD.

6. THE EMBASSY HAS NOT DISCUSSED THIS SITUATION WITH GOB OFFICIALS SINCE THE SUBMISSION OF REF B. AS THE DEPARTMENT IS AWARE, THE PRESENT CLIMATE IN BILATERAL RELATIONS (NUCLEAR ISSUE, RECENT AND PENDING US TRADE-RESTRICTIVE MEASURES) IS NOT CONDUCIVE TO FURTHER REPRESENTATIONS OR OFFICIAL DISCUSSIONS OF AIRCRAFT IMPORT RESTRICTIONS AT THIS TIME. FURTHERMORE, WHILE WE CONTINUE TO APPRECIATE THE SERIOUSNESS AND IMPLICATIONS OF CESSNA'S CONCERN, THE EMBASSY ALSO WISHES TO REITERATE THAT THE GOB'S AIRCRAFT IMPORT POLICY IS NOT UNIQUE BUT RATHER PART OF THE GOB'S ACROSS-THE-BOARD IMPORT SUBSTITUTION STRATEGY. THE EMBASSY, THEREFORE, WILL CONTINUE TO TRY TO OBTAIN AS MUCH PERTINENT DATA AS FEASIBLE BUT DOES NOT INTEND TO RAISE THE ISSUE WITH THE GOB AT LEAST FOR THE IMMEDIATE FUTURE.

CRIMMINS

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